

CONSTRUCTION EQUIPMENT OWNERSHIP AND OPERATING EXPENSE SCHEDULE

Table of Contents

CHAPTER 1.0 - INTRODUCTION

1.1	Use	1-1
1.2	Decision Flow Process	1-1
1.3	How to Obtain Assistance	1-1
1.4	How to Obtain CHECKRATE Spreadsheet	1-1
1.5	How to Obtain this Publication	1-2

CHAPTER 2.0 - METHODOLOGY FOR CONSTRUCTION EQUIPMENT

SECTION I. GENERAL.....	2-1	
2.1	Contents	2-1
2.2	Basis for Equipment Rates	2-1
2.3	Total Hourly Rate.....	2-1
SECTION II. OPERATING CONDITIONS.....	2-2	
2.4	Average, Difficult, or Severe Conditions	2-2
2.5	Determination of Condition	2-2
SECTION III. EQUIPMENT SELECTION.....	2-3	
2.6	General.....	2-3
2.7	Truck Selection.....	2-3
2.8	Crawler Tractor Selection	2-3
2.9	Equipment Accessories	2-3
SECTION IV. EQUIPMENT VALUE.....	2-4	
2.10	List Price and Accessories	2-4
2.11	Discount Code (DC)	2-4
2.12	Sales or Import Tax	2-4
2.13	Freight	2-4
2.14	Total Equipment Value (TEV)	2-4
SECTION V. LIFE	2-4	
2.15	Economic Life (LIFE)	2-4
2.16	Working Hours Per Year (WHPY).....	2-4
SECTION VI. SALVAGE VALUE.....	2-5	
2.17	Salvage Value (SLV)	2-5
2.18	Salvage Value Percentage	2-5
SECTION VII. OWNERSHIP COST	2-5	
2.19	Ownership Elements	2-5
2.20	Depreciation	2-5
2.21	Facilities Capital Cost of Money (FCCM).....	2-6

CONSTRUCTION EQUIPMENT OWNERSHIP AND OPERATING EXPENSE SCHEDULE

Table of Contents (Continued)

SECTION VIII. OPERATING COST.....	2-7
2.22 Operating Cost Elements	2-7
2.23 Fuel Cost	2-7
2.24 Filters, Oil, and Grease (FOG) Cost	2-9
2.25 Repair Cost.....	2-10
2.26 Tire Wear Cost	2-11
2.27 Tire Repair Cost	2-12
SECTION IX. STANDBY HOURLY RATE.....	2-12
2.28 Standby Hourly Rate	2-12
SECTION X. RATE CALCULATION EXAMPLE	2-13
2.29 Computation Example	2-13

CHAPTER 3.0 - ADJUSTMENTS TO HOURLY RATES

SECTION I. GENERAL.....	3-1
3.1 Contents	3-1
3.2 Basis for Equipment Rates	3-1
3.3 Equipment Rate Adjustment Tables	3-1
3.4 Determination for Use of Equipment Rates in Tables 2-1 and 2-2.....	3-1
SECTION II. RATE ADJUSTMENTS.....	3-2
3.5 Rate Adjustments	3-2
3.6 Changes in Operating Conditions.....	3-2
3.7 Change in Cost of Money Rate (CMR)	3-2
3.8 Actual Work Hours Greater than 40 Hours per Week.....	3-3
3.9 Changes in Fuel Cost	3-3
3.10 Adjustments to Fuel, Oil, and Grease (FOG) Cost	3-4
3.11 Equipment of Different Age than Table 2-1	3-4
3.12 Rate Adjustment for Overage Equipment	3-5
3.13 Standby Rate Adjustment for Equipment of a Different Age than Table 2-1	3-6
3.14 Equipment Purchased Used	3-7
3.15 Rate Calculation Examples.....	3-7

CHAPTER 4.0 - METHODOLOGY FOR DREDGING PLANT AND MARINE EQUIPMENT

SECTION I. GENERAL.....	4-1
4.1 Contents	4-1
4.2 General.....	4-1
SECTION II. ANNUAL USE	4-1
4.3 Time Available to Dredge	4-1

CONSTRUCTION EQUIPMENT OWNERSHIP AND OPERATING EXPENSE SCHEDULE

Table of Contents (Continued)

SECTION III. LIFE.....	4-2
4.4 Life.....	4-2
4.5 Annual Hours Available	4-2
SECTION IV. SALVAGE VALUE.....	4-3
4.6 Salvage Value (SLV)	4-3
SECTION V. OWNERSHIP COST.....	4-3
4.7 Ownership Cost	4-3
4.8 Depreciation Factor	4-4
4.9 The Cost of Money Rate (CMR) Factor	4-4
4.10 Other Ownership Elements	4-4
SECTION VI. OPERATING FACTORS	4-5
4.11 Hourly Operating Cost	4-5
4.12 Prime and Secondary Power.....	4-5
4.13 Water, Lube, and Supplies (WLS)	4-5
4.14 Repairs (RPR)	4-5
SECTION VII. STANDBY.....	4-6
4.15 Standby Rate.....	4-6
SECTION VIII. NEGOTIATED PROCUREMENT.....	4-7
4.16 Rates	4-7
4.17 Allowance for Additional Capital Improvements.....	4-7
4.18 Overage Plant.....	4-7
4.19 Dredging Plant Purchased Used	4-7
SECTION IX. RATE CALCULATION EXAMPLE.....	4-8
4.20 Rate Calculation Example	4-8
EQUIPMENT INDEX.....	Index-1

List of Tables

Table 2-1. Hourly Equipment Ownership and Operating Expense	2-20
Table 2-2. Hourly Rate Elements.....	2-193
Table 3-1. Equipment Age Adjustment Factors	3-8
Table 3-2. Equipment Age Adjustment Factors	3-27
Table 4-1. Dredging Plant Cost Factors	4-9

CONSTRUCTION EQUIPMENT OWNERSHIP AND OPERATING EXPENSE SCHEDULE

Table of Contents (Continued)

List of Figures

Figure 1-1. Methodology for Developing an Hourly Ownership and Operating Rate for Construction Equipment	1-3
Figure 2-1. Equipment Rate Computation Worksheet	2-14
Figure 3-1. Total Hourly Rate Calculation for Overage Equipment.....	3-20
Figure 3-2. Standby Hourly Rate Calculation for Overage Equipment.....	3-39
Figure 4-1. Months Available by Region.....	4-2
Figure 4-2. Dredging Plant Ownership and Operating Rate Worksheet	4-13

List of Appendixes

Appendix A	References
Appendix B	Area Factors
Appendix C	Guide for Selecting Operating Conditions
Appendix D	Equipment Hourly Calculation Factors
Appendix E	Economic Indexes for Construction Equipment
Appendix F	Tire Description and Tire Cost
Appendix G	Tire Life and Tire Wear Factors
Appendix H	Manufacturer List
Appendix I	Federal Cost-of-Money Rate
Appendix J	Equipment Accessories
Appendix K	Acronyms
Appendix L	Ground Engaging Component Costs Included in Repairs (RCF)
Appendix M	Guide for Estimating Drill Steel and Drill Bit Costs